

December 18, 2001

Dear CHOICE, Adult Day Service and Waiver Providers:

As you know, the State of Indiana is working to manage its budget in tight fiscal times. However, FSSA recognizes the importance of providing care to Indiana's most vulnerable residents. Because of this, I am pleased to announce a 4.5% rate increase for direct care staff in the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE), Adult Day Service (also known as Title XX) and Medicaid Waiver programs. It is expected that this rate increase will go toward wage increases, training opportunities or enhanced benefits for direct care workers.

During the most recent session of the General Assembly, numerous legislators, providers and advocates worked together to secure the funding to provide increases for the workers who spend the most time caring for our developmentally and physically disabled and aging Hoosiers. The CHOICE and Medicaid Waiver rates increased on October 1, 2001. As you may be aware, the Adult Day Service rates are in the form of an Administrative Rule, which must be amended prior to the new rates going into effect. The Adult Day Service rate increase will take place as soon as the Administrative Rule is approved.

This is lower than the 9% we had hoped to provide. However, the revenue projections continue to be of concern and the Family and Social Services Administration has been asked to identify savings. All areas of the agency have been affected, including administrative funding. We are only hiring essential positions and out-of-state travel has been reduced by 50%. Despite these constraints, our continued priority will be on providing quality services to Hoosiers. You and your agency are essential to that goal.

Also, I wanted to let you know that we are committed to reviewing the funding available for this increase quarterly, with the first review taking place in April. We will increase rates only as the revenue projections allow. Attached you will find a list of the rates that were increased on October 1, along with the new rates. The rates for Adult Day Services will be released as soon as the Administrative Rule is approved.

I am excited about the many changes going on regarding community-based care. These wages, along with the new Developmentally Disabled Waiver and the enhanced quality monitoring efforts will allow us to provide even better care. We appreciate your understanding as we manage a budget with significant gaps between revenue and expenditure projections. Please contact me at 317/233-4690 or officeofthesecretary@fssa.state.in.us if I may be of further assistance.

Sincerely,

John Hamilton
Secretary